

REFUSE DISPOSAL ENTERPRISE FUNDS

The Solid Waste Management Department provides a unified, comprehensive solid waste collection and disposal service for approximately 158 thousand households and 11 thousand businesses. The Department also collects and processes recyclable material from households, apartments, some government offices, and businesses. Moreover, solid waste is collected at convenience center sites and transported to the landfill for disposition. The Clean City Division oversees the weed, litter, interstate sweeping services and graffiti removal efforts for the City of Albuquerque. The "Keep Albuquerque Beautiful" program is responsible for education outreach and classroom teacher training.

MISSION

Commitment to our customers: The Solid Waste Management Department will collect, transport, and dispose of solid waste in the City of Albuquerque by the most effective and efficient method; at the least possible cost; resulting in the greatest possible satisfaction to those citizens served.

Commitment to our employees: The Solid Waste Management Department will provide its employees with a safe work environment, competitive compensation, and a satisfying personal challenge.

FISCAL YEAR 2007 HIGHLIGHTS

The FY/07 budget includes a proposed five percent rate increase for residential and commercial collection service which represents an increase of approximately \$2.1 million needed to cover operating costs and maintain current service levels. Costs have increased substantially in internal service allocations and other transfers. An estimated \$265 thousand is required for the internal telephone and fleet assessments. The transfer to the Risk Management Fund for workers compensation increased by \$339 thousand from FY/06 levels and an additional \$399 thousand will be transferred to debt service and water utility. In addition, Indirect Overhead increased by

\$106 thousand. Annual costs for the CIS billing system and the methane gas collection system will total \$199 thousand and new cell construction and cart costs have increased by \$250 thousand.

The current appropriation for diesel fuels is underfunded by \$708 thousand. For FY/06, the budget assumed a price of \$.89 per gallon. A fuel surcharge is assessed to all refuse customers on their monthly bill when the prior month average fuel cost is \$1.11 or above and this is appropriated up to \$1.61 per gallon. Consequently, this leaves an unfunded gap when fuel prices are between \$.89 and \$1.11, requiring an increase of \$342 thousand for the FY/07 budget. In addition, \$366 thousand will be appropriated in the fuel line item for anticipated revenue and costs when fuel exceeds \$1.61 per gallon.

The proposed five percent rate change would increase the monthly residential charge \$.51 cents per month from \$10.24 to \$10.75. That rate consists of \$.18 for bags or cart collection, disposal of refuse generated by residential use, large item pickup, graffiti removal, weed and litter, green waste collection, convenience centers, and the Keep Albuquerque Beautiful program; \$1.89 for recyclables; \$.22 for a collection and disposal program for household hazardous waste; \$.03 for unclaimed dead animal pickup; \$.24 for debt service and the characterization study of old landfills to identify environmental issues; \$.09 for the monitoring of methane gas at former City landfills; and \$.10 for environmental issues associated with old landfills.

The Solid Waste Management Department is currently evaluating the feasibility of constructing and operating a transfer station to reduce waste hauling costs. The Department is also exploring Waste to Energy options, and expects to begin implementing sustainability strategies during the year.

REFUSE DISPOSAL ENTERPRISE FUNDS

(\$000's)	UNAUDITED ACTUAL FY/05	ORIGINAL BUDGET FY/06	REVISED BUDGET FY/06	ESTIMATED ACTUAL FY/06	PROPOSED BUDGET FY/07	PROP 07/ EST ACT 06 CHG
PROGRAM STRATEGY SUMMARY BY GOAL:						
GOAL 5: ENVIRONMENTAL PROTECTION ENHANCEMENT						
<u>REFUSE DISPOSAL OPERATING FUND - 651</u>						
Administrative Services	7,616	8,542	8,542	8,146	8,239	93
Clean City Section	2,913	4,150	4,150	4,002	4,659	657
Collections	15,095	14,711	14,711	16,017	15,157	(860)
Disposal	3,855	4,804	4,804	5,200	5,906	706
Bonus Program	0	0	0	0	0	0
Recycling	2,190	2,771	2,771	2,707	3,017	310
Transfer from Fund 651 to Fund 110	2,915	3,270	3,270	3,270	3,370	100
Transfer from Fund 651 to Fund 260	160	265	265	265	0	(265)
Transfer from Fund 651 to Fund 621	607	576	576	576	763	187
Transfer from Fund 651 to Fund 653	4,780	4,325	4,325	4,325	4,586	261
Transfer from Fund 651 to Fund 655	4,870	4,934	4,934	4,934	5,146	212
Total Refuse Disposal Operating Fund - 651	45,001	48,348	48,348	49,442	50,843	1,401
<u>REFUSE DISPOSAL D/S FUND - 655</u>						
Refuse Debt Service - 655	5,122	5,137	5,137	5,137	5,146	9
<u>OPERATING GRANTS FUND - 265</u>						
Operating Grants Fund - 265	643	594	594	594	594	0
TOTAL GOAL - 5	50,766	54,079	54,079	55,173	56,583	1,410
TOTAL DEPARTMENT APPROPRIATIONS	50,766	54,079	54,079	55,173	56,583	1,410
TOTAL FULL TIME POSITIONS	414	414	414	418	418	0

REFUSE DISPOSAL ENTERPRISE FUNDS

REFUSE DISPOSAL OPERATING FUND - 651 RESOURCES, APPROPRIATIONS, AND WORKING CAPITAL BALANCE

(\$000's)	UNAUDITED ACTUAL FY/05	ORIGINAL BUDGET FY/06	REVISED BUDGET FY/06	ESTIMATED ACTUAL FY/06	PROPOSED BUDGET FY/07	PROP 07/ EST ACT 06 CHG
RESOURCES:						
Miscellaneous Revenues	(1,028)	857	857	1,457	1,242	(215)
Enterprise Revenues	45,537	45,864	45,864	45,967	48,704	2,737
Transfer from other funds	0	700	700	700	700	0
Total Current Resources	44,509	47,421	47,421	48,124	50,646	2,522
Beginning Working Capital Balance	4,745	5,167	5,167	5,167	3,849	(1,318)
TOTAL RESOURCES	49,254	52,588	52,588	53,291	54,495	1,204
APPROPRIATIONS:						
Enterprise Operations	31,834	34,978	34,978	36,072	36,978	906
Transfers to Other Funds	13,287	13,370	13,370	13,370	13,865	495
TOTAL APPROPRIATIONS	45,121	48,348	48,348	49,442	50,843	1,401
ADJUSTMENT TO WORKING CAPITAL	1,034	0	0	0	0	0
ENDING WORKING CAPITAL BALANCE	5,167	4,240	4,240	3,849	3,652	(197)

REFUSE DISPOSAL SYSTEM DEBT SERVICE FUND - 655 RESOURCES, APPROPRIATIONS, AND FUND BALANCE

(\$000's)	UNAUDITED ACTUAL FY/05	ORIGINAL BUDGET FY/06	REVISED BUDGET FY/06	ESTIMATED ACTUAL FY/06	PROPOSED BUDGET FY/07	PROP 07/ EST ACT 06 CHG
RESOURCES:						
Miscellaneous Revenues	72	50	50	50	50	0
Transfers from Other Funds	4,870	4,934	4,934	4,934	5,146	212
Total Current Resources	4,942	4,984	4,984	4,984	5,196	212
Beginning Fund Balance	552	372	372	372	219	(153)
TOTAL RESOURCES	5,494	5,356	5,356	5,356	5,415	59
APPROPRIATIONS:						
Debt Service	5,122	5,137	5,137	5,137	5,146	9
TOTAL APPROPRIATIONS	5,122	5,137	5,137	5,137	5,146	9
FUND BALANCE PER CAFR	372	219	219	219	269	50
ADJUSTMENT TO FUND BALANCE	0	0	0	0	0	0
AVAILABLE FUND BALANCE	372	219	219	219	269	50